Form 3160-3
(August 2007)

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU0344A

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☐ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
CHAPITA WELLS UNI

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
CHAPITA WELLS UNIT 1154-27

2. Name of Operator
EOG RESOURCES, INC.
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-40042

3a. Address
1060 EAST HIGHWAY 40
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 303-824-5526

10. Field and Pool, or Exploratory
NATURAL BUTTES/MESAVERDE

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface NWSW 1781FSL 470FWL 40.00459 N Lat, 109.32080 W Lon

At proposed prod. zone NWSW 1781FSL 470FWL 40.00459 N Lat, 109.32080 W Lon

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 27 T9S R23E Mer SLB

14. Distance in miles and direction from nearest town or post office*
54.55 MILES SOUTH OF VERNAL, UT

12. County or Parish
UINTAH COUNTY

13. State
UT

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
470'

16. No. of Acres in Lease
640.00

17. Spacing Unit dedicated to this well

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
810'

19. Proposed Depth
8720 MD

20. BLM/BIA Bond No. on file
NM2308

21. Elevations (Show whether DF, KB, RT, GL, etc.
5186 GL

22. Approximate date work will start

23. Estimated duration
45 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission) Mary A. Maestas
Name (Printed/Typed) MARY A. MAESTAS Ph: 303-824-5526
Date 05/05/2008

Title
REGULATORY ASSISTANT

Approved by (Signature)
Name (Printed/Typed) BRADLEY G. HILL
Date 05-14-08

Title
Office ENVIRONMENTAL MANAGER

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #60083 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

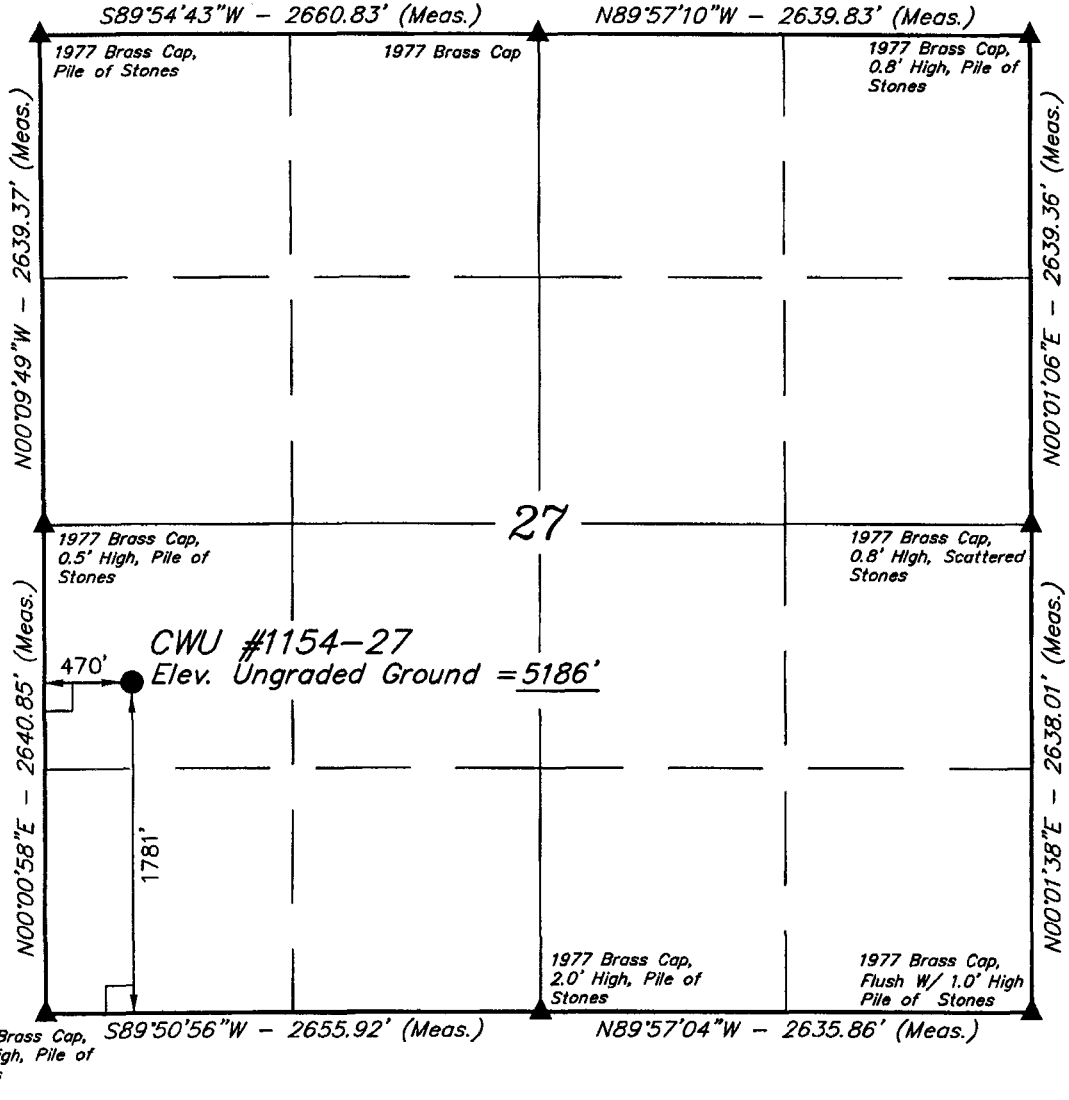
Federal Approval of this Action is Necessary

RECEIVED
MAY 07 2008
DIV. OF OIL, GAS & MINING

643392X
4429413Y
40.004436
-109.320114

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

T9S, R23E, S.L.B.&M.



LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 40°00'16.53" (40.004592)
LONGITUDE = 109°19'14.89" (109.320803)
(NAD 27)
LATITUDE = 40°00'16.65" (40.004625)
LONGITUDE = 109°19'12.45" (109.320125)

EOG RESOURCES, INC.

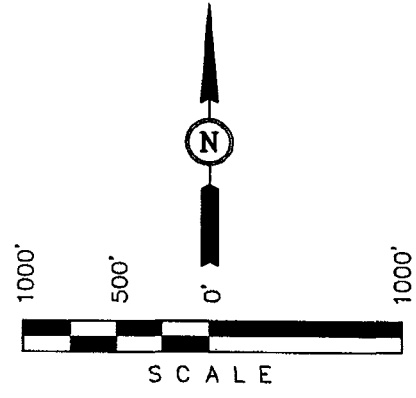
Well location, CWU #1154-27, located as shown in the NW 1/4 SW 1/4 of Section 27, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCHMARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UINTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 12-1-05	DATE DRAWN: 12-20-05
PARTY: G.S. T.A. K.G.	REFERENCES: G.L.O. PLAT	
WEATHER: COLD	FILE: EOG RESOURCES, INC.	

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1154-27
NW/SW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,515		Shale	
Mahogany Oil Shale Bed	2,103		Shale	
Wasatch	4,336		Sandstone	
Chapita Wells	4,890		Sandstone	
Buck Canyon	5,548		Sandstone	
North Horn	6,101		Sandstone	
KMV Price River	6,387	Primary	Sandstone	Gas
KMV Price River Middle	7,208	Primary	Sandstone	Gas
KMV Price River Lower	7,997	Primary	Sandstone	Gas
Sego	8,516		Sandstone	
TD	**8,720**			

Estimated TD: **8,720' or 200'± below TD** **Anticipated BHP: 4,761 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 ½"	0 – 60'	13 ⅜"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0' – 2,300' KB±	9-⅝"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-⅞"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1154-27
NW/SW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1154-27
NW/SW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

Reference: **Onshore Oil and Gas Order No. 1**
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).

- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.

- EOG Resources, Inc. requests a variance to regulations, requiring during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by waster mist.

- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).

- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.
Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:
Cement Bond / Casing Collar Locator and Pulsed Neutron

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1154-27
NW/SW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500' above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: **112 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.

Tail: **858 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1154-27
NW/SW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.

2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.

3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.

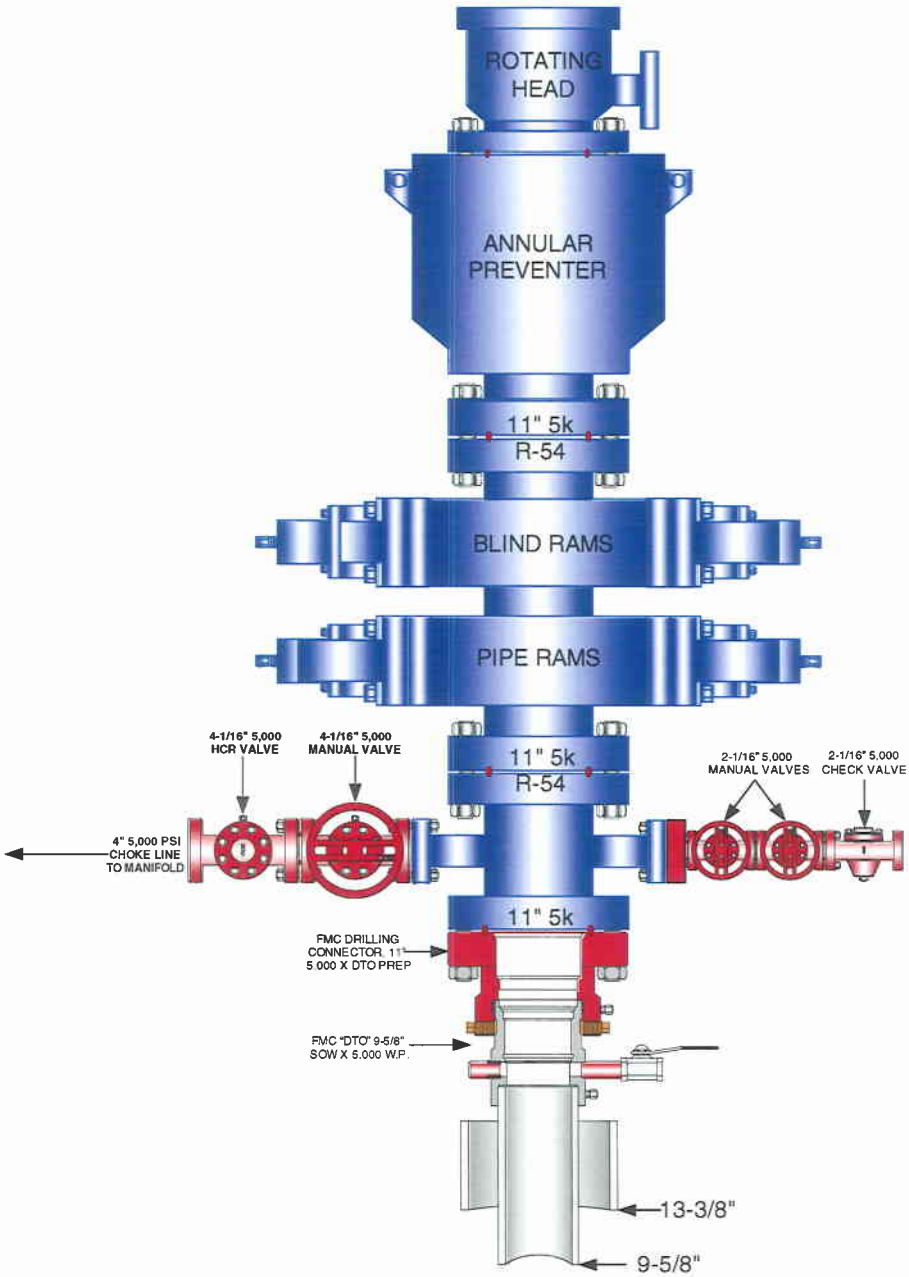
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.

5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.

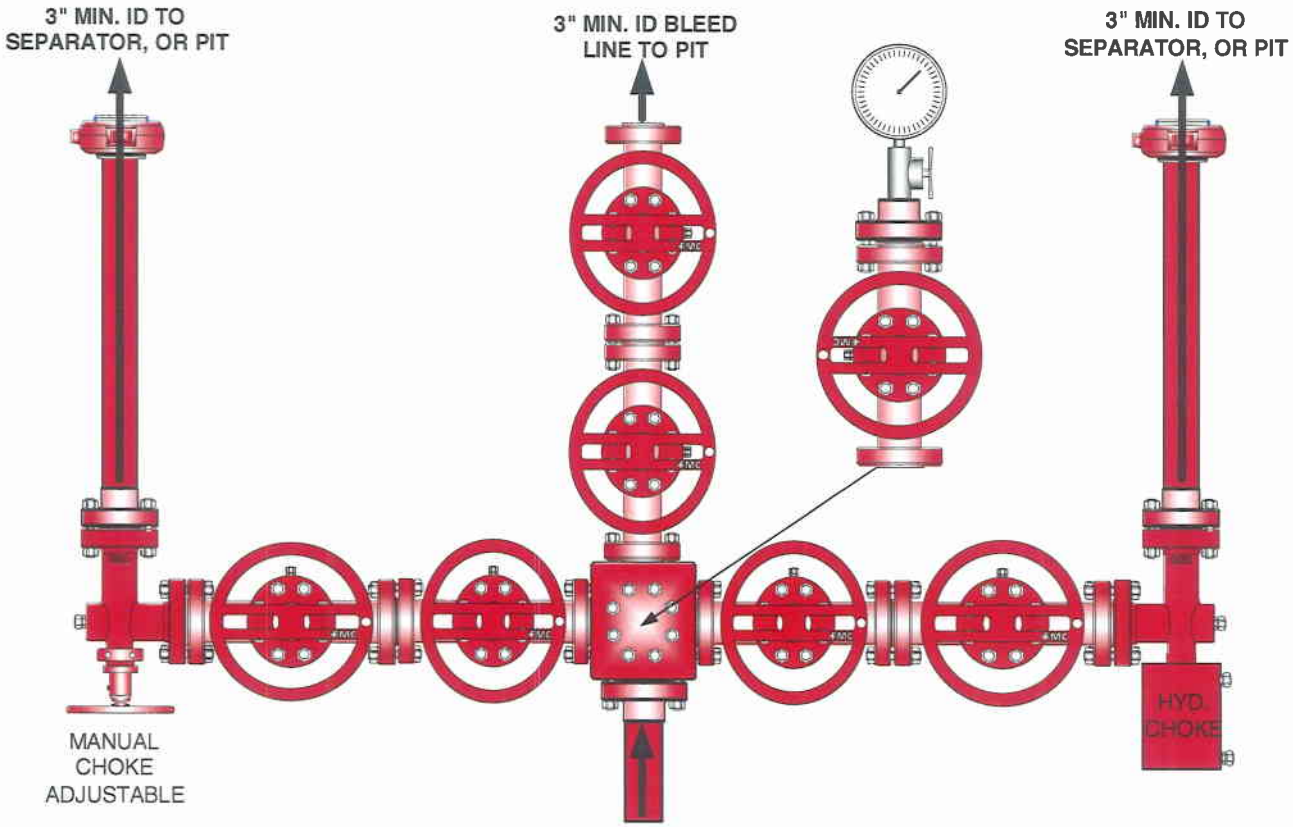
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)

EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/ 5,000 PSI WP VALVES



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
   Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

eog resources

Chapita Wells Unit 1154-27
NWSW, Section 27, T9S, R23E
Uintah County, Utah

SURFACE USE PLAN

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 200 feet long with a 40-foot right-of-way, disturbing approximately .18 acre. New surface disturbance associated with the well pad and access road is estimated to be 2.02 acres. The pipeline is approximately 375 feet long with a 40-foot right-of-way disturbing approximately .34 acres.

1. EXISTING ROADS:

A. See attached Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

B. The proposed well site is located approximately 54.55 miles south of Vernal, Utah – See attached TOPO Map "A".

C. Refer to attached Topographic Map "A" showing labeled access route to location.

D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

A. The access road will be approximately 200' in length, with culverts installed as construction dictates. See attached Topo B.

B. The access road has a 40-foot ROW w/18 foot running surface.

C. Maximum grade of the new access road will be 8 percent.

D. No turnouts will be required.

E. Road drainage crossings shall be of the typical dry creek drainage crossing type.

F. No bridges, or major cuts and fills will be required.

G. The access road will be dirt surface.

H. No gates, cattleguards, or fences will be required or encountered.

I. A 40-foot permanent right-of-way is requested. No surfacing material will be used.

J. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

All travel will be confined to existing access road rights-of-way.

New or reconstructed roads will be centerlined – flagged at time of location staking. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed, safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 40-foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the roadbed block the drainages. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around then avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

Traveling off the 40-foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

An off-lease right-of-way is not required. The entire length of the proposed access road is located within Federal Lease # U-0344-A.

3. *Location of Existing Wells Within a One-mile Radius:*

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400-bbl vertical tanks and attaching piping.

2. Gas gathering lines – A 4" gathering line will be buried from dehy to the edge of the location.

B. Off Well Pad

1. Proposed pipeline will transport natural gas.

2. The pipeline will be a permanent feeder line.

3. The length of the proposed pipeline is 375' x 40'. The proposed pipeline leaves the northern edge of the well pad (Lease U-0344-A) proceeding in a southwesterly direction for an approximate distance of 375' tieing into an existing pipeline in the NWSW of Section 27, T9S, R23E (Lease U-0334-A). Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lock, electric weld with a 35 mil X-Tru coating.

4. Proposed pipeline will be a 4" OD steel, zap-lok line laid on the surface

5. Proposed pipeline will be laid on surface.

6. An off-lease right-of-way is not required. The entire length of the proposed pipeline is located within Federal Lease U-0344-A.

7. The proposed pipeline route begins in the NWSW of Section 27, Township 9S, Range 23E, proceeding southwesterly for an approximate distance of 375' to the NWSW of Section 27, Township 9S, Range 23E.

8. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All facilities will be painted with Carlsbad Canyon or Covert Green.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water supply will be Bonanza Power Plant water source in Sec 26, T8S, R23E, Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.

B. Water will be hauled by a licensed trucking company.

C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. All construction material for this pipeline will be of native borrow and soil accumulated during the construction of the location.

B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

1. Cuttings will be confined in the reserve pit.

2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.

3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.

4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD, CWU 2-29 SWD, Red Wash Evaporation ponds 1, 2, 3 or 4 or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit, through natural or artificial methods, or removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt, and a 16-millimeter plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) will be used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

8. *ANCILLARY FACILITIES:*

None anticipated.

9. *WELL SITE LAYOUT:*

A. Refer to attached well site plat for related topography cuts and fills and cross sections.

B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.

C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the south corner of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.

The stockpiled pit topsoil (first six inches) will be stored separate from the location topsoil west of corner #5. The stockpiled location topsoil will be stored in a location providing easy access for interim reclamation and protection of the topsoil. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the south.

The corners of the well pad will be rounded off as needed to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)

B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.

D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.

E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. *Interim Reclamation (Producing Location)*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of the well completion, or as soon as environmental conditions allow. Before any dirt takes place, the reserve pit must be completely dry and free of all foreign obstacles.

The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
HyCrest Wheatgrass	9.0
Prostrate Kochia	3.0

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Wyoming Big Sage	3.0
Shadscale	3.0
Needle and Threadgrass	3.0
HyCrest Wheatgrass	1.0
Scarlet Globe Mallow	1.0

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used.
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.

C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

D. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources survey was conducted and submitted by Montgomery Archaeological Consultants on 4/24/2006. A paleontological survey was conducted and submitted by Intermountain Paleo on 2/9/2006.

Additional Surface Stipulations:

None.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT
Mary A. Maestas
EOG Resources, Inc.
1060 East Highway 40
Vernal, UT 84078
(435) 781-9111

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Wells Unit 1154-27 Well, located in the NWSW, of Section 27, T9S, R23E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

May 5, 2008
Date

Mary A. Maestas, Regulatory Assistant

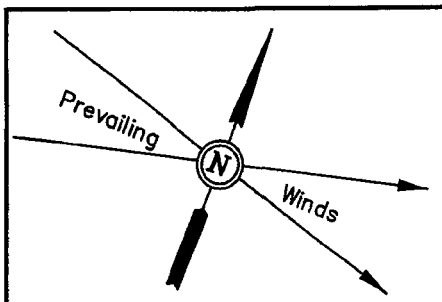
Date of onsite: April 17, 2008

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #1154-27
SECTION 27, T9S, R23E, S.L.B.&M.
1781' FSL 470' FWL

FIGURE #1



SCALE: 1" = 50'
DATE: 12-20-05
Drawn By: K.G.

Approx. Toe of Fill Slope

F-6.5'
El. 75.0'

F-18.4'
El. 63.1'

Topsoil Stockpile

Sta. 3+25

65'

C-0.7'
El. 82.2'

DATA

175'

Round Corners as Needed

Topsoil Stockpile

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

CATWALK

PIPE RACKS

Pit Topsoil

C-4.8'
El. 86.3'

C-5.9'
El. 87.4'

FLARE PIT

20' WIDE BENCH

DOG HOUSE

Sta. 1+50

135'

29'

36'

46'

El. 87.8'
C-18.3'
(btm. pit)

RIG

75'

C-5.3'
El. 86.8'

WATER

F-14.9'
El. 66.6'

TRAILER

PUMP

MUD SHED

TOILET

MUD TANKS

Reserve Pit Backfill & Spoils Stockpile

15' WIDE BENCH

147'

Total Pit Capacity W/2' Of Freeboard = 12,250 Bbls. ±
Total Pit Volume = 3,320 Cu. Yds.

RESERVE PITS (12' Deep)

SLOPE = 1-1/2 : 1

HOPPER

POWER

Sta. 0+50

TOOLS

FUEL

FUEL

STORAGE TANK

TRASH

150'

C-10.0'
El. 91.5'

Sta. 0+00

20' WIDE BENCH

F-14.1'
El. 67.4'

El. 90.7'
C-21.2'
(btm. pit)

C-10.7'
El. 92.2'

Approx. Top of Cut Slope

Proposed Access Road

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5186.3'

FINISHED GRADE ELEV. AT LOC. STAKE = 5181.5'

REGISTERED LAND SURVEYOR
REG. NO. 161319
ROBERT L. KAY
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

EOG RESOURCES, INC.

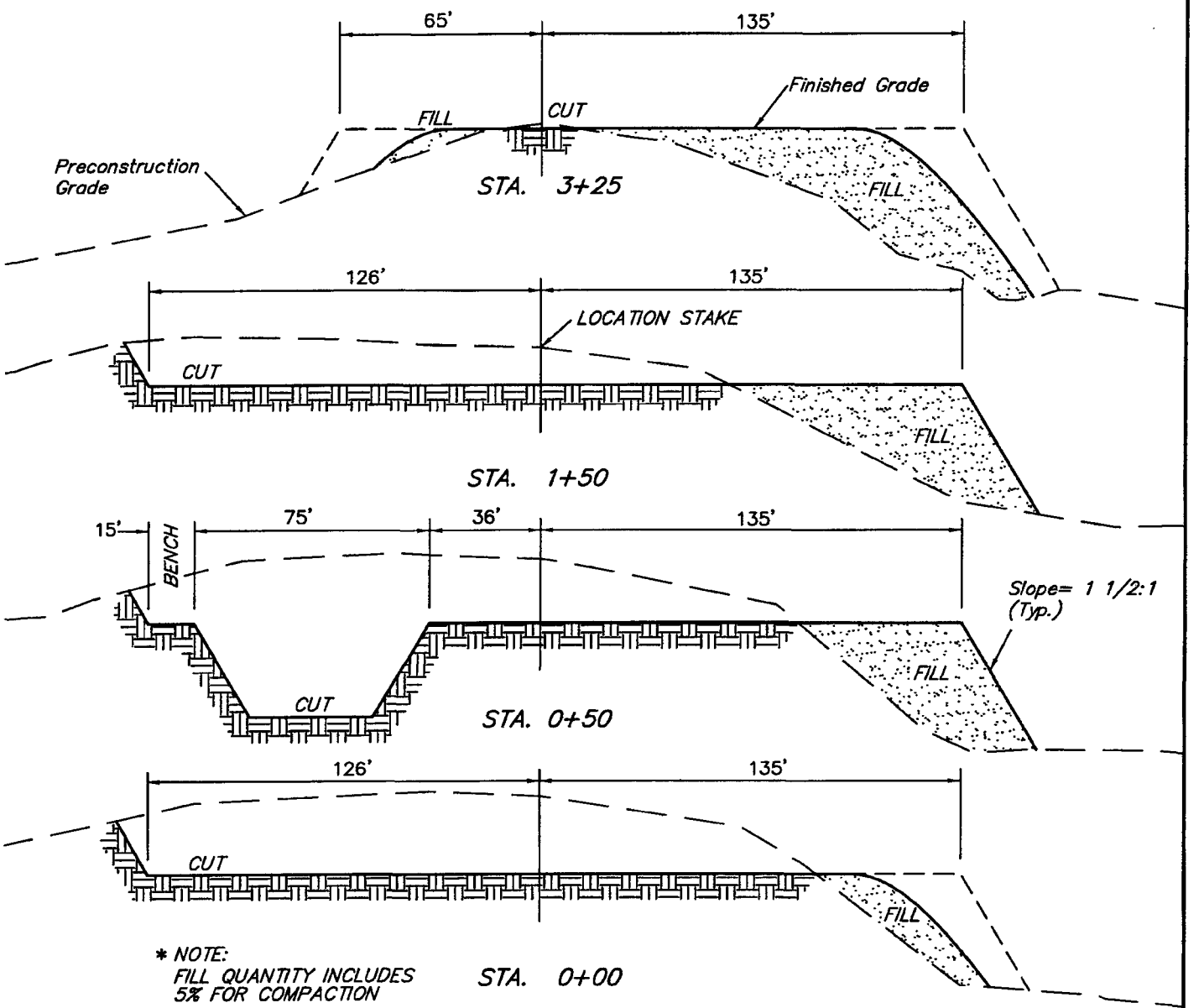
TYPICAL CROSS SECTIONS FOR

CWU #1154-27
SECTION 27, T9S, R23E, S.L.B.&M.
1781' FSL 470' FWL

FIGURE #2

1" = 20'
X-Section Scale
1" = 50'
DATE: 12-20-05
Drawn By: K.G.

REGISTERED LAND SURVEYOR No. 161319 ROBERT STATE OF UTAH



* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,820 Cu. Yds.
Remaining Location = 12,240 Cu. Yds.

TOTAL CUT = 14,060 CU.YDS.
FILL = 10,580 CU.YDS.

EXCESS MATERIAL = 3,480 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,480 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
*86 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

EOG RESOURCES, INC.

CWU #1154-27

LOCATED IN UINTAH COUNTY, UTAH
SECTION 27, T9S, R23E, S.L.B.&M.

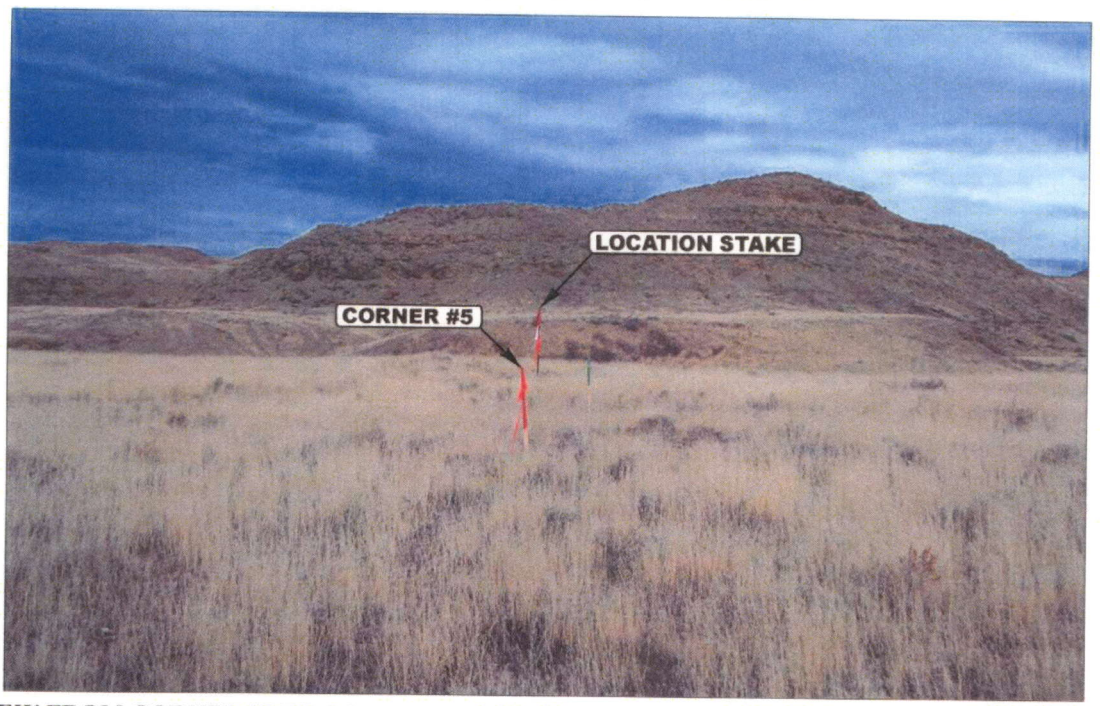


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHEASTERLY**

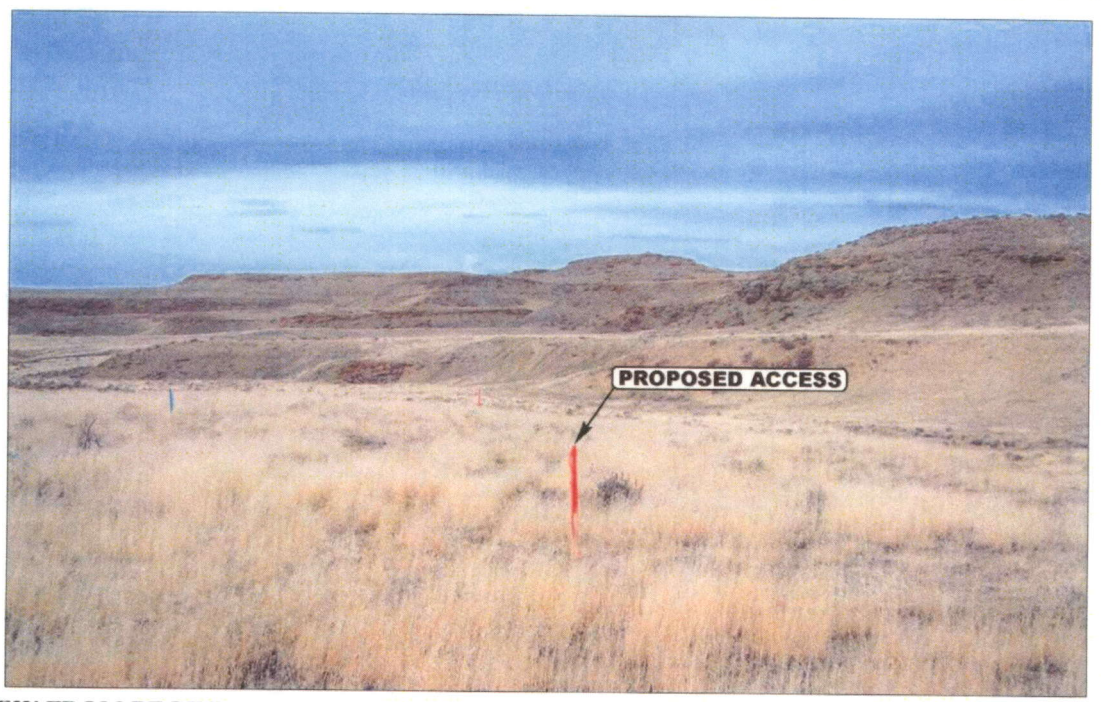
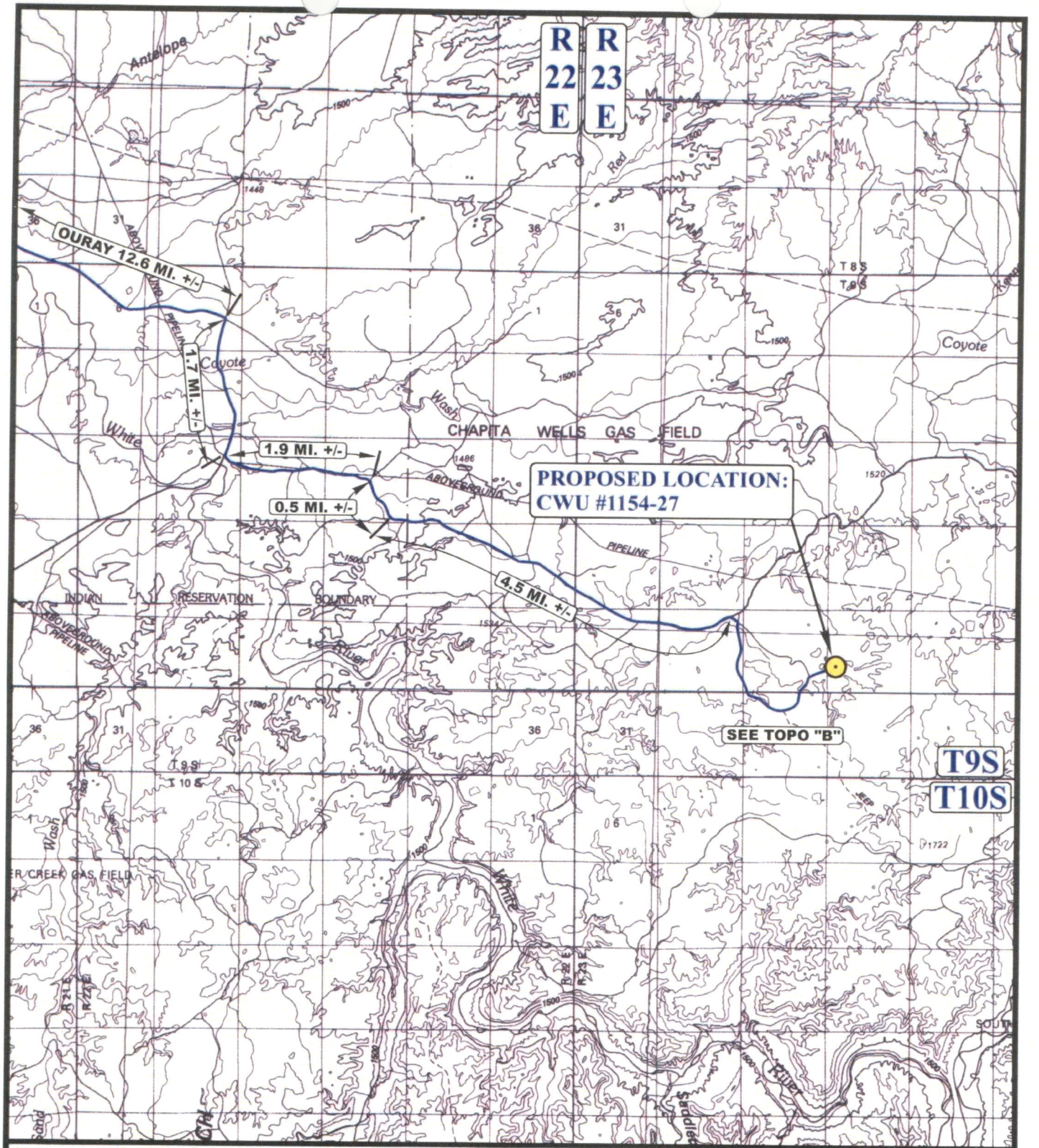


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: NORTHERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	12 MONTH	06 DAY	05 YEAR	PHOTO
TAKEN BY: J.R.	DRAWN BY: B.C.	REVISED: 00-00-00		



LEGEND:

PROPOSED LOCATION

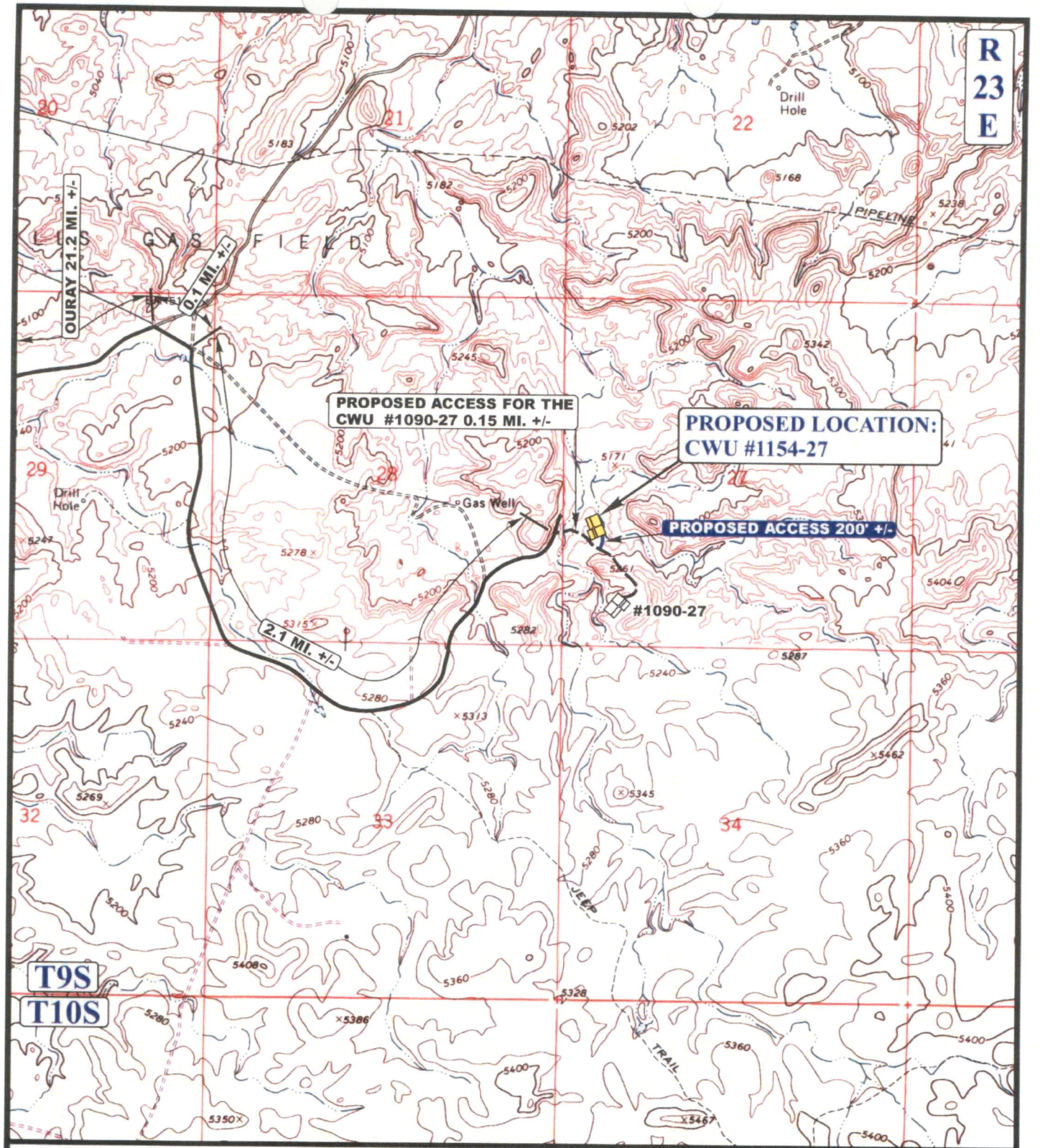
N

EOG RESOURCES, INC.

CWU #1154-27
SECTION 27, T9S, R23E, S.L.B.&M.
1781' FSL 470' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	12 MONTH	06 DAY	05 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: B.C.	REVISED: 00-00-00		



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

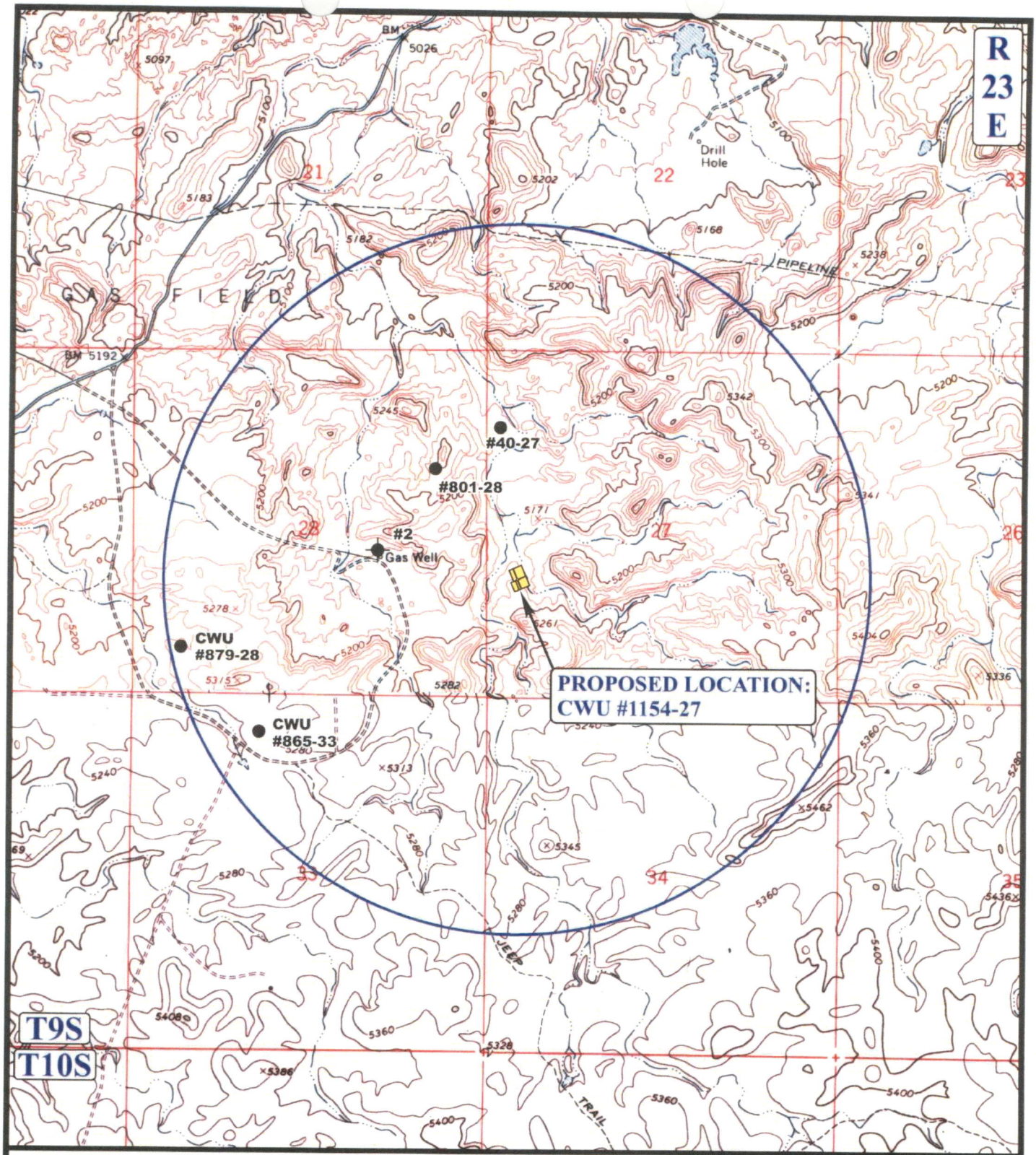
N

EOG RESOURCES, INC.

CWU #1154-27
SECTION 27, T9S, R23E, S.L.B.&M.
1781' FSL 470' FWL

UELS
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	12 MONTH	06 DAY	05 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: B.C.	REVISED: 00-00-00		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

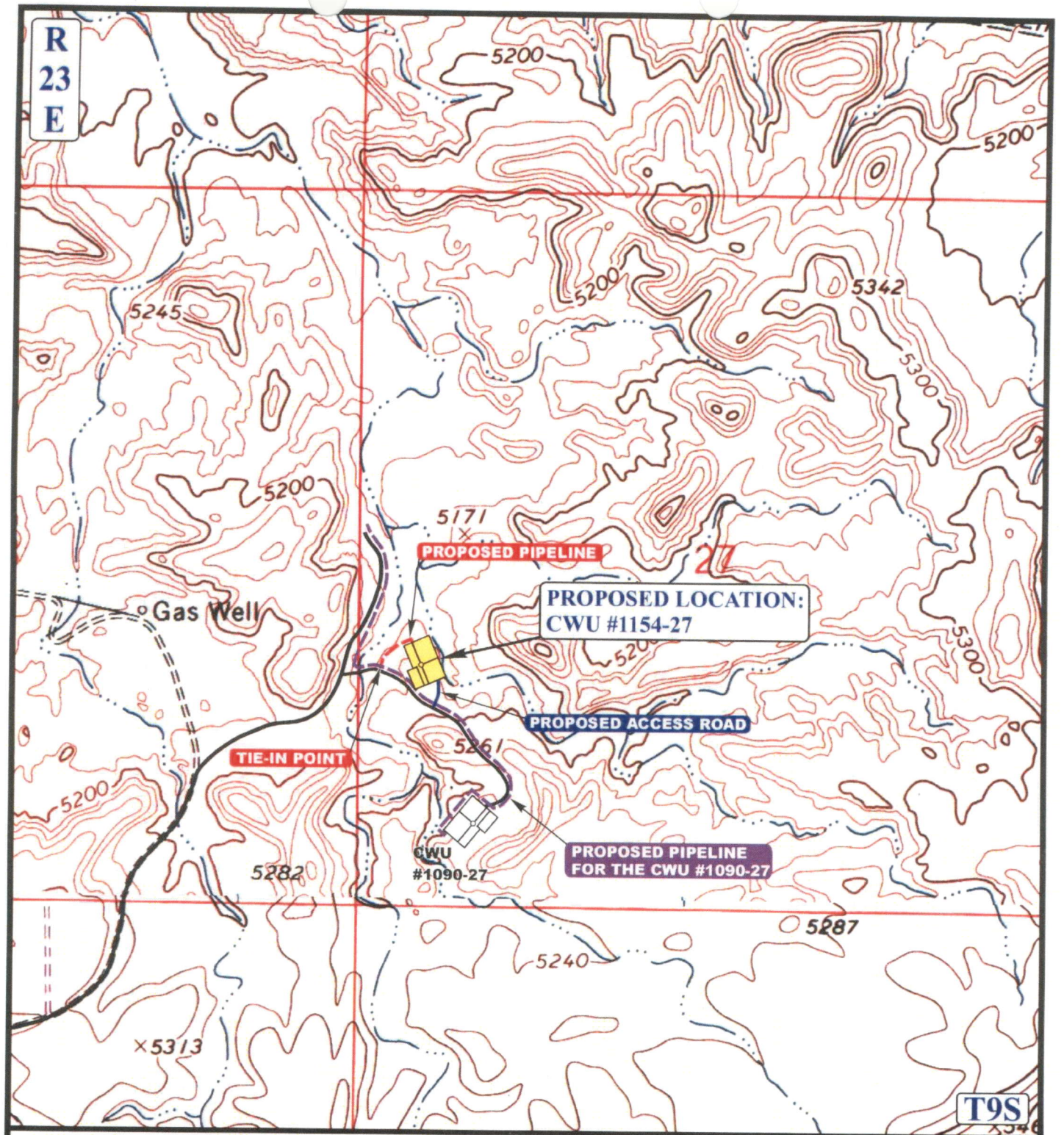
N

EOG RESOURCES, INC.

CWU #1154-27
SECTION 27, T9S, R23E, S.L.B.&M.
1781' FSL 470' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	12 MONTH	06 DAY	05 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: B.C.	REVISED: 00-00-00		



APPROXIMATE TOTAL PIPELINE DISTANCE = 375' +/-

LEGEND:

PROPOSED ACCESS ROAD
EXISTING PIPELINE
PROPOSED PIPELINE
PROPOSED PIPELINE (SERVICING OTHER WELLS)

N

EOG RESOURCES, INC.

CWU #1154-27
SECTION 27, T9S, R23E, S.L.B.&M.
1781' FSL 470' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	12 MONTH	06 DAY	05 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: B.C.	REVISED: 00-00-00		

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/07/2008

API NO. ASSIGNED: 43-047-40042

WELL NAME: CWU 1154-27

OPERATOR: EOG RESOURCES, INC. (N9550)

PHONE NUMBER: 303-824-5526

CONTACT: MARY MAESTAS

PROPOSED LOCATION:

NWSW 27 090S 230E

SURFACE: 1781 FSL 0470 FWL

BOTTOM: 1781 FSL 0470 FWL

COUNTY: UINTAH

LATITUDE: 40.00464 LONGITUDE: -109.3201

UTM SURF EASTINGS: 643392 NORTHINGS: 4429413

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU0344A

PROPOSED FORMATION: MVRD

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM2308)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 49-225)

N RDCC Review (Y/N)
(Date:)

NP Fee Surf Agreement (Y/N)

NM Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: CHAPITA WELLS

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

✓ Drilling Unit

Board Cause No: 179-8

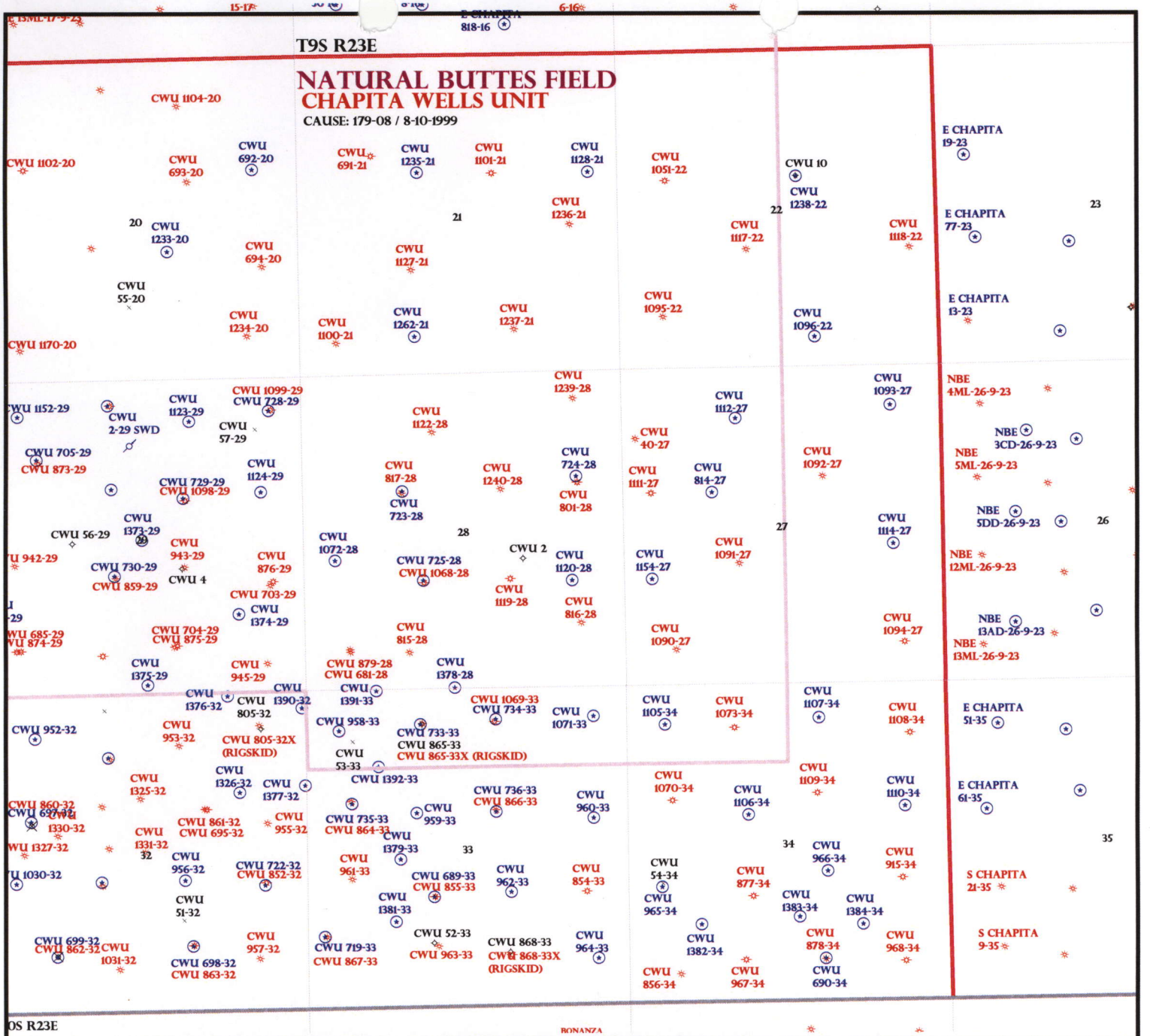
Eff Date: 8-10-1999

Siting: Suspends General Siting

___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1- Federal Approval



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 21,27,28,33,34 T.9S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

UTAH DNR
OIL, GAS & MINING

N
W E
S

PREPARED BY: DIANA MASON
DATE: 12-MAY-2008

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

May 14, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2008 Plan of Development Chapita Wells Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2008 within the Chapita Wells Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ MesaVerde)		
43-047-40054	CWU 1262-21	Sec 21 T09S R23E 0588 FSL 1905 FWL
43-047-40041	CWU 0814-27	Sec 27 T09S R23E 2087 FNL 1490 FWL
43-047-40042	CWU 1154-27	Sec 27 T09S R23E 1781 FSL 0470 FWL
43-047-40043	CWU 1120-28	Sec 28 T09S R23E 1784 FSL 0850 FEL
43-047-40055	CWU 1379-33	Sec 33 T09S R23E 2464 FSL 1514 FWL
43-047-40056	CWU 1071-33	Sec 33 T09S R23E 0484 FNL 0545 FEL
43-047-40057	CWU 0966-34	Sec 34 T09S R23E 2151 FSL 2007 FEL
43-047-40044	CWU 1384-34	Sec 34 T09S R23E 1260 FSL 1438 FEL
43-047-40045	CWU 1383-34	Sec 34 T09S R23E 1399 FSL 2479 FEL
43-047-40046	CWU 1106-34	Sec 34 T09S R23E 2174 FNL 1982 FWL
43-047-40047	CWU 1110-34	Sec 34 T09S R23E 2070 FNL 0713 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:5-14-08

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 14, 2008

EOG Resources, Inc.
1060 East Highway 40
Vernal, UT 84078

Re: Chapita Wells Unit 1154-27 Well, 1781' FSL, 470' FWL, NW SW, Sec. 27, T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40042.

Sincerely,

(for) Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

UTAH DNR OIL, GAS & MINING

Operator: EOG Resources, Inc.

Well Name & Number Chapita Wells Unit 1154-27

API Number: 43-047-40042

Lease: UTU0344A

Location: NW SW **Sec.** 27 **T.** 9 South **R.** 23 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   Notify the division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

RECEIVED

MAY 05 2008

BLM

Form 3160-3
(August 2007)

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU0344A

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☐ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
UTU63013AV

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
CWU 1154-27

2. Name of Operator
EOG RESOURCES INC

Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43 047 40042

3a. Address
1060 EAST HIGHWAY 40
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 303-824-5526

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface NWSW 1781FSL 470FWL 40.00459 N Lat, 109.32080 W Lon

At proposed prod. zone NWSW 1781FSL 470FWL 40.00459 N Lat, 109.32080 W Lon

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 27 T9S R23E Mer SLB
SME: BLM

14. Distance in miles and direction from nearest town or post office*
54.55 MILES SOUTH OF VERNAL, UT

12. County or Parish
UINTAH

13. State
UT

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
470'

16. No. of Acres in Lease
640.00

17. Spacing Unit dedicated to this well

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
810'

19. Proposed Depth
8720 MD

20. BLM/BIA Bond No. on file
NM2308

21. Elevations (Show whether DF, KB, RT, GL, etc.
5186 GL

22. Approximate date work will start

23. Estimated duration
45 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature
(Electronic Submission)

Name (Printed/Typed)
MARY A. MAESTAS Ph: 303-824-5526

Date
05/05/2008

Title
REGULATORY ASSISTANT

Approved by (Signature)

Name (Printed/Typed)
Jerry Kenczka

Date
6-16-2008

Title
Assistant Field Manager
Lands & Mineral Resources

Office
VERNAL FIELD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page) CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

Electronic Submission #60083 verified by the BLM Well Information System
For EOG RESOURCES INC, sent to the Vernal
Committed to AFMSS for processing by GAIL JENKINS on 05/05/2008 (08GXJ3778AE)

RECEIVED

JUN 20 2008

DIV. OF OIL, GAS & MINING

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

08GXJ2705AE NOS. 3-12-2008

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**E.O.G. Resources Inc.**	**Location:**	**NWSW, Sec. 27, T9S, R23E**
Well No:	**CWU 1154-27**	**Lease No:**	**UTU-0344A**
API No:	**43-047-40042**	**Agreement:**	**Chapita Wells Unit**

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
		Fax: (435) 781-3420	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- Bury pipeline at all low water crossings.
- Permission from an authorized BLM representative would be required if construction or other operations occur during wet conditions that would lead to excessive rutting.
- Permission to clear all wildlife stipulations would only be approved by the BLM wildlife biologist during the specific timing for the species potentially affected by this action.
- Culverts and gravel may be installed as needed.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
  - COA specification is consistent with operators performance standard stated in APD.

A variance is granted for Onshore Order #2 Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet.

- All requirements will be adhered to covering air/gas drilling operations as described in Onshore Order #2 III. E.

Drilling Operations, Special Drilling Operations, air/gas drilling.

A Gamma Ray well Log shall be run from the well Total Depth to the surface.

- A copy of the Gamma Ray well Log shall be submitted to the BLM Vernal Field Office.

Onshore Order no. #2 Drilling Operations III. E. 1.

- All requirements will be adhered to covering air/gas drilling operations as described in Onshore Order #2 III. E. 1. Drilling Operations, Special Drilling Operations, air/gas drilling.
- variance(s) to Onshore Order #2 Drilling Operations III. E.
  - requirement for deduster equipment
  - requirement waived for deduster equipment
  - Deduster equipment capabilities described by operator as function performed by continuous sprayer water mist
  - automatic igniter or continuous pilot light on the blooie line
  - requirement waived for ignitor and pilot light
  - operators blooie line output fluid stream is an incombustible aerated water system
  - blooie line fire prevention and suppression function operation achieved thru continuous aerated water fluid stream flow
  - compressors located in opposite direction from the blooie line a minimum of 100 feet
  - Compressors are truck mounted. Operators standard practice is to rig up with truck mounted compressors oriented ninety degrees to blooie line. Compressors are truck mounted with spark arresters.
  - Conductor casing shall be set into competent formation at a depth of 60 ft, plus or minus 10 ft.
  - COA specification is consistent with operators performance standard (operators shallow surface operations covered in part 13 Air Drilling Operations) stated in APD.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.

- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.

- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.

- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.
    - Well name and number.
    - Well location (¼¼, Sec., Twn, Rng, and P.M.).
    - Date well was placed in a producing status (date of first production for which royalty will be paid).
    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
    - Unit agreement and/or participating area name and number, if applicable.
    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid,

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **EOG RESOURCES INC**

Well Name: **CWU 1154-27**

Api No: **43-047-40042** Lease Type: **FEDERAL**

Section **27** Township **09S** Range **23E** County **UINTAH**

Drilling Contractor **ROCKY MOUNTAIN DRLG** RIG # **RATHOLE**

SPUDDED:

Date **09/13/08**

Time **8:00 AM**

How **DRY**

Drilling will Commence:

Reported by **JERRY BARNES**

Telephone # **(435) 828-1720**

Date **09/15//08** **Signed** **CHD**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: EOG RESOURCES
Address: 1060 East Highway 40
city VERNAL
state UT zip 84078

Operator Account Number: N 9550
Phone Number: (435) 781-9145

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39439	EAST CHAPITA 80-23		NWSE	23	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	17094	9/13/2008			9/25/08	

Comments: WASATCH/MESAVERD WELL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-40042	CHAPITA WELLS UNIT 1154-27		NWSW	27	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
XB	99999	13650	9/13/2008			9/25/08	

Comments: MESAVERDE WELL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-39912	CHAPITA WELLS UNIT 1072-28		NWSW	28	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
XB	99999	13650	9/15/2008			9/25/08	

Comments: MESAVERDE WELL

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Mickenzie Thacker
Name (Please Print)
Mickenzie Thacker
Signature
Operations Clerk
Title
9/17/2008
Date

RECEIVED
SEP 17 2008
DIV. OF OIL, GAS & MINING

(5/2000)

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU0344A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CHAPITA WELLS UNI

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
CHAPITA WELLS UNIT 1154-27

2. Name of Operator
EOG RESOURCES, INC.
Contact: MICKENZIE THACKER
E-Mail: MICKENZIE_THACKER@EOGRESOURCES.COM

9. API Well No.
43-047-40042

3a. Address
1060 E. HWY 40
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 453-781-9145

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 27 T9S R23E NWSW 1781FSL 470FWL
40.00459 N Lat, 109.32080 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Well Spud
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well was spud on 9/13/2008.

RECEIVED
SEP 22 2008
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #63138 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

Name *(Printed/Typed)* MICKENZIE THACKER — Title OPERATIONS CLERK

Signature (Electronic Submission) — Date 09/17/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU0344A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CHAPITA WELLS

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
CHAPITA WELLS UNIT 1154-27

2. Name of Operator
EOG RESOURCES, INC.
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-40042

3a. Address
600 17TH STREET SUITE 1000N
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-824-5526

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 27 T9S R23E NWSW 1781FSL 470FWL
40.00459 N Lat, 109.32080 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Production Start-up
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well was turned to sales on 12/8/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #65410 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

Name *(Printed/Typed)* MARY A. MAESTAS — Title REGULATORY ASSISTANT

Signature (Electronic Submission) — Date 12/10/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED
DEC 15 2008
DIV. OF OIL, GAS & MINING

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

WELL CHRONOLOGY REPORT

Report Generated On: 12-10-2008

Well Name	CWU 1154-27	**Well Type**	DEVG	**Division**	DENVER
Field	CHAPITA DEEP	**API #**	43-047-40042	**Well Class**	1SA
County, State	UINTAH, UT	**Spud Date**	10-27-2008	**Class Date**	12-08-2008
Tax Credit	N	**TVD / MD**	8,720/ 8,720	**Property #**	057855
Water Depth	0	**Last CSG**	2.375	**Shoe TVD / MD**	6,988/ 6,988
KB / GL Elev	5,198/ 5,182				
Location	Section 27, T9S, R23E, NWSW, 1781 FSL & 470 FWL				

Event No	1.0	**Description**	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	**WI %**	55.686	**NRI %**	47.671

AFE No	303706	**AFE Total**	1,747,800	**DHC / CWC**	880,700/ 867,100				
Rig Contr	TRUE	**Rig Name**	TRUE #31	**Start Date**	08-14-2008	**Release Date**	11-01-2008		
08-14-2008	**Reported By**	SHEILA MALLOY							
DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0				
Cum Costs: Drilling	$0	**Completion**	$0	**Well Total**	$0				
MD	0	**TVD**	0	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0
Formation :		**PBTD :** 0.0		**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA 1781' FSL & 470' FWL (NW/SW) SECTION 27 T9S, R23E UINTAH COUNTY, UTAH LAT 40.004625, LONG 109.320125 (NAD 27) LAT 40.004592, LONG 109.320803 (NAD 83) TRUE #31 OBJECTIVE: 8720' TD, MESAVERDE DW/GAS CHAPITA WELLS UNIT DD&A: CHAPITA DEEP NATURAL BUTTES FIELD LEASE: U-0344-A ELEVATION: 5186.3' NAT GL, 5181.5' PREP GL (DUE TO ROUNDING 5182' IS THE PREP GL), 5198 KB (16') EOG WI 55.6856%, NRI 47.67131%

08-27-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling	$38,000	**Completion**	$0	**Daily Total**	$38,000		
Cum Costs: Drilling	$38,000	**Completion**	$0	**Well Total**	$38,000		
MD 0	**TVD** 0	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0		**Perf :**	**PKR Depth :** 0.0			

Activity at Report Time: LOCATION BUILD

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION STARTED.

08-28-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$38,000	**Completion**	$0	**Well Total**	$38,000		
MD 0	**TVD** 0	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0		**Perf :**	**PKR Depth :** 0.0			

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 10% COMPLETE.

08-29-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$38,000	**Completion**	$0	**Well Total**	$38,000		
MD 0	**TVD** 0	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0		**Perf :**	**PKR Depth :** 0.0			

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 15% COMPLETE.

09-02-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$38,000	**Completion**	$0	**Well Total**	$38,000		
MD 0	**TVD** 0	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0		**Perf :**	**PKR Depth :** 0.0			

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 20% COMPLETE.

09-03-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$38,000	**Completion**	$0	**Well Total**	$38,000		
MD 0	**TVD** 0	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0		**Perf :**	**PKR Depth :** 0.0			

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 65% COMPLETE.

09-04-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING OUT PIT.

09-05-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKED OUT. DRILLING ROCK.

09-08-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKED OUT. DRILLING ROCK.

09-09-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SHOOTING TODAY.

09-10-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE TODAY.

09-11-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$38,000	**Completion**	$0	**Well Total**	$38,000		
MD 0	**TVD** 0	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: LOCATION COMPLETE – WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION COMPLETE. WO AIR RIG.

09-15-2008 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$38,000	**Completion**	$0	**Well Total**	$38,000		
MD 60	**TVD** 60	**Progress** 0	**Days** 1	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKY MOUNTAIN DRILLING SPUD A 20" HOLE ON 09/13/08 @ 8:00 AM, SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 09/13/08 @ 7:00 AM.

09-30-2008 **Reported By** DANNY FARNSWORTH

DailyCosts: Drilling	$258,887	**Completion**	$0	**Daily Total**	$258,887		
Cum Costs: Drilling	$296,887	**Completion**	$0	**Well Total**	$296,887		
MD 2,286	**TVD** 2,286	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIGS DRILLING RIG #4 ON 9/23/2008. DRILLED 12-1/4" HOLE TO 2270' G.L.(2286' KB). ENCOUNTERED WATER @ 900'. FLUID DRILLED HOLE FROM 1140'. LOST RETURNS @ 1600'. RAN 51 JTS (2261.71') OF 9-5/8", 36.0#, J-55, BT&C CASING WITH TOPCO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2277' KB. RDMO CRAIGS RIG . MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1500 PSIG. PUMPED 175 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 400 SX (84 BBLS) OF PREMIUM CEMENT W/2 % CACL2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. DISPLACED CEMENT W/171 BBLS FRESH WATER. BUMPED PLUG W/650# @ 5:43 AM, 9/27/2008. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS. TOP JOB # 1: MIXED & PUMPED 100 SX (20.5 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 27:00 HRS 30 MINUTES. RDMO HALLIBURTON CEMENTERS. TOP JOB # 2: MIRU HALLIBURTON CEMENTERS. MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 20 MINUTES. TOP JOB # 3: MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2 MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 15 MINUTES.

TOP JOB # 4: MIXED & PUMPED 100 SX (20.5 BBLS) OF PREMIUM CEMENT W/3% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 1 HR 50 MINUTES.

TOP JOB # 5: MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED AND STOOD FULL. RDMO HALLIBURTON CEMENTERS.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

CRAIGS RIG 4 TOOK SURVEYS WHILE DRILLING. 2230' — 2.5 DEGREES.

CONDUCTOR LEVEL RECORD: PS= 89.9 OPS= 90.0 VDS= 90.0 MS= 89.9.

9 5/8 CASING LEVEL RECORD: PS= 90.0 OPS= 89.9 VDS= 89.9 MS= 89.9.

DANNY FARNSWORTH NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 9/25/2008 @ 01:00 PM.

10-27-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$54,489	**Completion**	$695	**Daily Total**	$55,184
Cum Costs: Drilling	$351,376	**Completion**	$695	**Well Total**	$352,071

MD	2,286	**TVD**	2,286	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PU BHA

Start	End	Hrs	Activity Description
06:00	23:00	17.0	CONTINUE RIG UP. RIG MOVE 8.4 MILES ONE WAY.
23:00	00:00	1.0	NU & FUNCTION TEST BOP. RIG ON DAYWORK AS OF 23:00 HRS 10/26/08.
00:00	04:00	4.0	SAFETY MEETING. TEST BOPS AS FOLLOWS. RIG UP B & C QUICK TEST, TESTER JOHN SIDWELL. TEST UPPER & LOWER KELLY VALVE, SAFETY & INSIDE BOP TO 250 PSI LOW & 5000 PSI HIGH. TEST PIPE RAMS & INSIDE BOP VALVES TO 250 PSI LOW FOR 5 MINUTES & 5000 PSI HIGH FOR 10 MINUTES. TEST PIPE RAMS & OUTSIDE BOP VALVES & HCR . TEST PIPE RAMS CHOKE LINE, CHECK VALVE, UPRIGHT GAUGE VALVE & INSIDE MANIFOLD VALVES FOR 250 PSI LOW FOR 5 MINUTES & 5000 PSI HIGH FOR 10 MINUTES. TEST ANNULAR TO 250 PSI LOW FOR 5 MINUTES & 2500 PSI HIGH FOR 10 MINUTES. TEST BLIND RAMS, CHOKE LINE, & MANIFOLD VALVES TO 250 PSI LOW FOR 5 MINUTES & 5000 PSI HIGH FOR 10 MINUTES. TEST BLIND RAMS & SUPERCHOKE TO 1000 PSI FOR 2 MINUTES. TEST SURFACE CASING TO 1500 PSI FOR 30 MINUTES. ALL TEST OK. INSTALL WEAR BUSHING
04:00	06:00	2.0	SAFETY MEETING. RIG UP KIMZEY PICK UP MACHINE. PICK UP BHA & DRILL PIPE, FUEL ON LOCATION 3250 GALLONS CREWS FULL, 3 CREWS WORKED 12 HRS EACH NO ACCIDENTS OR INCIDENTS REPORTED SAFETY MEETINGS, #1 – TESTING BOPS, #2 = PICK UP DRILL PIPE

10-28-2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$34,992	**Completion**	$0	**Daily Total**	$34,992
Cum Costs: Drilling	$386,368	**Completion**	$695	**Well Total**	$387,063

MD	4,703	**TVD**	4,703	**Progress**	2,426	**Days**	1	**MW**	8.7	**Visc**	27.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 4703'

Start	End	Hrs	Activity Description

06:00	07:00	1.0	PU/LD BHA & DRILL PIPE.. TAG CEMENT @ 2183. RIG DOWN KIMZEY CASERS.
07:00	09:30	2.5	DRILL OUT CEMENT & FLOAT EQUIPMENT. + 30' NEW HOLE(DUE TO ERROR IN PIPE TALLY)
09:30	10:00	0.5	CIRCULATE CLEAN & RUN FIT TEST. EMW 10.17.
10:00	10:30	0.5	SURVEY
10:30	17:00	6.5	DRILL 7.875" HOLE FROM 2286 TO 3256. 970' @ 149 FPH. WOB 16, ROTARY 6–0 & MOTOR 70.. 435 GPM @ 1450 PSI. MUD WT 8.8 & VIS 28
17:00	17:30	0.5	SURVEY.
17:30	01:00	7.5	DRILL 7.875" HOLE FROM 3256 TO 4220 , 964' @ 128 FPH. WOB 16/18, ROTARY 60 & MOTOR 70. 435 GPM @ 1600 PSI. MUD WT 9.2 & VIS 30.
01:00	01:30	0.5	SURVEY
01:30	06:00	4.5	DRILL 7.875" HOLE FROM 4220 TO 4703. 483' @ 107 FPH. WOB 18, ROTARY 60 & MOTOR 70. 435 GPM @ 1650 PSI. MUD WEIGHT 9.4 x VIS 30 SPQ

FUEL 9300 GALLONS. RECIEVED 7800, USED 1600
CREWS FULL, NO ACCIDENTS OR INCIDENTS REPORTED
SAFETY MEETINGS. #1 = PICK UP BHA, #2 = TEAMWORK
BOTH CREWS HELD BOP DRILLS. MORNING TOUR 1:14, DAY TOUR 1: 18
UNMANNED GAS DETECTOR ON LOCATION 1 DAY

06:00 SPUD 7 7/8" HOLE @ 10:30 HRS. 10/27/08.

10–29–2008 **Reported By** PETE COMEAU

DailyCosts: Drilling	$33,927	**Completion**	$1,907	**Daily Total**	$35,834
Cum Costs: Drilling	$420,295	**Completion**	$2,602	**Well Total**	$422,897

MD	6,230	**TVD**	6,230	**Progress**	1,527	**Days**	2	**MW**	9.6	**Visc**	32.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 6230'

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILL 7.875" HOLE FROM 4703 TO 5058. 355' @ 118 FPH. WOB 16/18. ROTARY 60 & MOTOR 70. 435 GPM @ 1700 PSI. MUD WT 9.6 & VIS 32
09:00	09:30	0.5	SERVICE RIG, FUNCTION CROWN O MATIC & PIPE RAMS.
09:30	06:00	20.5	DRILL 7.875" HOLE FROM 5058 TO 6230. 1172' @ 57 FPH. WOB 18, ROTARY 60 & MOTOR 70. 435 GPM @ 1650 PSI. MUD WT 10.3 & VIS 33.

FUEL 7450 USED 1950
CREWS FULL, NO ACCIDENTS OR INCIDENTS REPORTED.
SAFETY MEETINGS: #1 = TEAMWORK, #2 = GOOD COMMUNICATION
FUNCTIONED CROWN O MATIC FOR DRILLING, FUNCTIONED PIPE RAMS.
UNMANNED GAS DETECTOR ON LOCATION 2 DAYS..

10–30–2008 **Reported By** PETE COMEAU/PAT CLARK

DailyCosts: Drilling	$46,883	**Completion**	$0	**Daily Total**	$46,883
Cum Costs: Drilling	$467,179	**Completion**	$2,602	**Well Total**	$469,781

MD	7,584	**TVD**	7,584	**Progress**	1,354	**Days**	3	**MW**	10.3	**Visc**	33.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: TIH W/ NB#2

Start	End	Hrs	Activity Description

06:00	14:00	8.0	DRILL 6230' – 6999'. WOB 20K, RPM 60/67, SPP 1850 PSI, DP 350 PSI, ROP 96 FPH.
14:00	14:30	0.5	RIG SERVICE. CHECK COM.
14:30	22:00	7.5	DRILL 6999' – 7584'. SAME PARAMETERS, ROP 78 FPH. LOST PRESSURE, PUMP FLAG.
22:00	03:00	5.0	CHAIN OUT OF HOLE.. FOUND WASHED TOOL JT @ 2200'. FINISH TOH, L/D MM, REAMERS, BIT.
03:00	06:00	3.0	P/U NEW MM, BIT, TIH.

FULL CREWS, NO ACCIDENTS.
SAFETY MEETINGS – WELDING, TRIPPING.
FUEL – 6100, USED – 1350.
CURRENT MW – 10.5 PPG, VIS – 34 SPQ.
UNMANNED ML UNIT – 3 DAYS.

10–31–2008 **Reported By** PAT CLARK

DailyCosts: Drilling	$107,376	**Completion**	$0	**Daily Total**	$107,376
Cum Costs: Drilling	$574,555	**Completion**	$2,602	**Well Total**	$577,157

MD	8,350	**TVD**	8,350	**Progress**	766	**Days**	4	**MW**	10.7	**Visc**	35.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 8350'

Start	End	Hrs	Activity Description
06:00	08:00	2.0	FINISH TIH. FILL PIPE @ 4000'.
08:00	14:00	6.0	DRILL 7584' – 7904'. WOB 20K, RPM 60/67, SPP 1850 PSI, DP 300 PSI, ROP 53 FPH.
14:00	14:30	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
14:30	06:00	15.5	DRILL 7904' – 8350'. SAME PARAMETERS, ROP 29 FPH.

FULL CREWS, NO ACCIDENTS.
SAFETY MEETINS – FORKLIFT, CHECK COM.
FUEL – 4400, USED – 1700.
CURRENT MW – 10.9 PPG, VIS – 36 SPQ.
UNMANNED ML UNIT – 4 DAYS.

11–01–2008 **Reported By** PAT CLARK

DailyCosts: Drilling	$28,364	**Completion**	$0	**Daily Total**	$28,364
Cum Costs: Drilling	$602,919	**Completion**	$2,602	**Well Total**	$605,521

MD	8,720	**TVD**	8,720	**Progress**	370	**Days**	5	**MW**	10.9	**Visc**	37.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RUNNING 4–1/2" CSG

Start	End	Hrs	Activity Description
06:00	14:30	8.5	DRILL 8350' – 8625'. WOB 15–22K, RPM 50–60/67, SPP 1950 PSI, DP 300 PSI, ROP 34 FPH.
14:30	15:00	0.5	RIG SERVICE. CHECK COM, FUNCTION PIPE RAMS.
15:00	18:00	3.0	DRILL 8625' – 8720'. . SAME PARAMETERS, ROP 32 FPH. REACHED TD @ 18:00 HRS, 11/01/2008.
18:00	19:00	1.0	CIRCULATE BOTTOMS UP.
19:00	20:00	1.0	SHORT TRIP.
20:00	21:00	1.0	HSM. CIRCULATE BOTTOMS UP. R/U WEATHERFORD TRS TO LDDP.

21:00	03:00	6.0	LDDP. BREAK KELLY, L/D BHA. PULL WEAR BUSHING.
03:00	06:00	3.0	RUN 4 1/2", 11.6#, N-80, LTC CASING. DETAILS ON NEXT REPORT.

FULL CREWS, NO ACCIDENTS, BOP DRILL DAYLIGHTS.

SAFETY MEETINGS - BOP DRILL, LDDP, RUN CSG.

FUEL - 3111, USED - 1289.

CURRENT MW - 10.9 PPG, VIS - 37 SPQ.

UNMANNED ML UNIT - 5 DAYS.

11-02-2008 **Reported By** PAT CLARK

DailyCosts: Drilling	$57,481	**Completion**	$187,114	**Daily Total**	$244,595
Cum Costs: Drilling	$660,401	**Completion**	$189,716	**Well Total**	$850,117

MD	8,720	**TVD**	8,720	**Progress**	0	**Days**	6	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	09:00	3.0	HSM. RUN 4 1/2", 11.6#, N-80, LTC CASING AS FOLLOWS: FLOAT SHOE @ 8711', 1 JT CSG, FLOAT COLLAR @ 8664', 64 JTS CSG, MARKER JOINT @ 5908', 45 JTS CSG, MJ @ 3986', 93 JTS CSG (203 TOTAL), P/U JT # 204, TAG BOTTOM @ 8720'. L/D JT # 204, P/U LANDING JT, CASING HANGER AND PUP, LAND IN CASING HEAD W/ 59,000#. R/D TRS.
09:00	10:00	1.0	HSM. CIRCULATE AND CONDITION F/CEMENT. R/U SCHLUMBERGER.
10:00	12:00	2.0	HSM, R/U SCHLUMBERGER. PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: DROP BOTTOM PLUG, PUMP 20 BBLS MUD FLUSH, 20 BBLS FRESH WATER, MIX AND PUMP 315 SX (126 BBLS, 712 CU/FT) LEAD 35:65 POZ/G CEMENT @ 12 PPG, 2.26 YLD, H2O 12.885 GAL/SK + 10% D020 + .2% D046 + .2% D167 + .5% D065 + .125 LB/SK D130. MIX AND PUMP 1440 SX (324 BBLS, 1858 CU/FT) TAIL 50/50 POZ G CEMENT @ 14.1 PPG, 1.29 YLD, H2O 5.963 GAL/SK + 2% D020 + .1% D046 + .2% D065 + .2% D167 + .1% D013. WASH UP TO PIT, DROP TOP PLUG AND DISPLACE W/134 BBLS H2O W/2 GALS/1000 L064. FULL RETURNS. MAX PRESSURE 2356 PSI, BUMPED PLUG TO 3469 PSI. BLED BACK 2 BBLS, FLOAT HELD. R/D SCHLUMBERGER. BLM NOTIFIED BY E-MAIL 10-31-08..
12:00	14:00	2.0	PACK OFF AND TEST CASING HEAD. NDBOP, CLEAN MUD TANKS.

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS - LDDP, RUN CSG, CEMENTING.

FUEL - 2000 GALS, USED - 1111 GALS.

WESTROC TRUCKING TO MOVE RIG AND CAMPS 7 MILES TO CWU 1072-28 @ 07:00.

TRANSFER 3 JTS 4 1/2", 11.6#, N-80, LTC CSG (127.99' TOL) AND 2 MJ 4 1/2", 11.6#, P-110, LTC (30.77' TOL) TO CWU 1072-28.

TRANSFER 2000 GALS DIESEL @ $3.63/GAL TO CWU 1072-28.

UNMANNED ML UNIT RELEASED 10-31-08.

13:00	06:00	17.0	set clocks back****RDRT.
06:00			RIG RELEASED @ 14:00, 11/01/08.

CASING POINT COST $622,923

11-06-2008 **Reported By** SEARLE

DailyCosts: Drilling	$0	**Completion**	$43,344	**Daily Total**	$43,344		
Cum Costs: Drilling	$660,401	**Completion**	$233,060	**Well Total**	$893,461		
MD 8,720	**TVD** 8,720	**Progress** 0	**Days** 7	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 8664.0	**Perf :**	**PKR Depth :** 0.0				

Activity at Report Time: PREP FOR FRACS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 80'. EST CEMENT TOP @ 200'. RD SCHLUMBERGER.

11-14-2008 **Reported By** MCCURDY

DailyCosts: Drilling	$20,003	**Completion**	$1,723	**Daily Total**	$21,726		
Cum Costs: Drilling	$680,405	**Completion**	$234,783	**Well Total**	$915,188		
MD 8,720	**TVD** 8,720	**Progress** 0	**Days** 7	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**	**PKR Depth :** 0.0				

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

11-19-2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$443	**Daily Total**	$443		
Cum Costs: Drilling	$680,405	**Completion**	$235,226	**Well Total**	$915,631		
MD 8,720	**TVD** 8,720	**Progress** 0	**Days** 8	**MW** 0.0	**Visc** 0.0		
Formation : MESA VERDE	**PBTD :** 8664.0	**Perf :** 8074-8305	**PKR Depth :** 0.0				

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PERFORATE LPR FROM 8074'-75', 8085'-86', 8098'-99', 8115'-16', 8126'-27', 8137'-38', 8146'-47', 8171'-72', 8197'-98', 8204'-05', 8257'-58', 8277'-78', 8299'-8300', 8304'-05' @ 3 SPF @ 120° PHASING. RDWL.

11-20-2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$28,050	**Daily Total**	$28,050		
Cum Costs: Drilling	$680,405	**Completion**	$263,276	**Well Total**	$943,681		
MD 8,720	**TVD** 8,720	**Progress** 0	**Days** 9	**MW** 0.0	**Visc** 0.0		
Formation : MESA VERDE	**PBTD :** 8664.0	**Perf :** 6771-8305	**PKR Depth :** 0.0				

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 1450 PSIG RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4165 GAL 16# LINEAR PAD, 2100 GAL YF116 ST+ PAD, 49807 GAL YF116 ST+ WITH 172600# 20/40 SAND @ .5-5 PPG. MTP 6285 PSIG. MTR 51 BPM. ATP 4390 PSIG. ATR 44 BPM. ISIP 2950 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CFP @ 8015' & PERFORATE MPR FROM 7738'-39', 7766'-67', 7774'-75', 7795'-96', 7801'-02', 7827'-28', 7889'-90', 7902'-03', 7943'-44', 7953'-54', 7970'-71', 8000'-01' @ 3 SPF @ 120° PHASING. RDWL.RU SCHLUMBERGER, FRAC DOWN CASING WITH, 165 GAL GYPTRON T-106, 2073 GAL YF116 ST+ PAD 26641 GAL YF116 ST+ WITH 74900# 20/40 SAND @ .5-4 PPG. MTP 6456 PSIG. MTR 52 BPM. ATP 5173 PSIG. ATR 40.9 BPM. ISIP 2750 PSIG. RD SCHLUMBERGER.

RUWL. SET 6K CFP @ 7700' & PERFORATE MPR FROM 7470'-71', 7479'-80', 7497'-98', 7507'-08', 7530'-31', 7542'-43', 7562'-63', 7571'-72', 7597'-98', 7637'-38', 7657'-58', 7682'-83' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2070 GAL YF116 ST+ PAD, 51726 GAL YF116 ST+ WITH 180600# 20/40 SAND @ .5-5 PPG. MTP 6103 PSIG. MTR 52 BPM. ATP 4095 PSIG. ATR 46.1 BPM. ISIP 2130 PSIG. RD SCHLUMBERGER

RUWL. SET 6K CFP AT 7440' & PERFORATE MPR FROM 7304'-05', 7327'-28', 7337'-39', 7365'-66', 7377'-79', 7389'-90', 7406'-07', 7413'-14', 7421'-23' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2065 GAL YF116 ST+ PAD, 44414 GAL YF116 ST+ WITH 154000# 20/40 SAND @ .5-5 PPG. MTP 6198 PSIG. MTR 52 BPM. ATP 4110 PSIG. ATR 46 BPM. ISIP 2930 PSIG. RD SCHLUMBERGER

RUWL. SET 6K CFP AT 7268'. PERFORATE U/MPR FROM 7045'-46', 7060'-61', 7080'-81', 7087'-88', 7106'-07', 7116'-17', 7150'-51', 7165'-66', 7194'-95', 7202'-03', 7229'-30', 7250'-51' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2065 GAL YF116 ST+ PAD, 56310 GAL YF116 ST+ WITH 206300# 20/40 SAND @ .5-5 PPG. MTP 6101 PSIG. MTR 52 BPM. ATP 3551 PSIG. ATR 49.6 BPM. ISIP 1950 PSIG. RD SCHLUMBERGER

RUWL. SET 6K CFP AT 6985'. PERFORATE UPR FROM 6771'-72', 6779'-81', 6788'-89', 6794'-95', 6806'-07', 6812'-13', 6818'-19', 6840'-41', 6854'-55', 6908'-09', 6969'-70' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2064 GAL YF116 ST+ PAD, 30581 GAL YF116 ST+ WITH 95800# 20/40 SAND @ .5-5 PPG. MTP 5871 PSIG. MTR 52 BPM. ATP 3621 PSIG. ATR 43.7 BPM. ISIP 1770 PSIG. RD SCHLUMBERGER. SDFN.

11-21-2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$301,856	**Daily Total**	$301,856
Cum Costs: Drilling	$680,405	**Completion**	$565,132	**Well Total**	$1,245,537

MD	8,720	**TVD**	8,720	**Progress**	0	**Days**	10	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 8664.0 **Perf :** 6423-8305 **PKR Depth :** 0.0

Activity at Report Time: MI RU SERVICE UNIT TO DRILL PLUGS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 1100 PSIG RUWL SET 6K CFP AT 6742'. PERFORATE UPR FROM 6599'-6600', 6605'-06', 6613'-14', 6649'-50', 6654'-55', 6679'-81', 6686'-87', 6711'-13', 6719'-20', 6724'-25' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2066 GAL YF116 ST+ PAD, 28284 GAL YF116ST+ WITH 86400 #20/40 SAND @ .5-5 PPG. MTP 5253 PSIG. MTR 52 BPM. ATP 3708 PSIG. ATR 43.7 BPM. ISIP 2420 PSIG. RD SCHLUMBERGER
			RUWL SET 6K CFP AT 6570'. PERFORATE UPR FROM 6423'-24', 6427'-28', 6442'-43', 6459'-60', 6497'-98', 6508'-09', 6513'-14', 6522'-23', 6537'-38', 6543'-45', 6550'-51' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 2065 GAL YF116 ST+ PAD, 30012 GAL YF116ST+ WITH 96200 #20/40 SAND @ .5-5 PPG. MTP 5760 PSIG. MTR 52 BPM. ATP 3940 PSIG. ATR 48.1 BPM. ISIP 2370 PSIG. RD SCHLUMBERGER
			RUWL. SET 6K CBP AT 6317'. RDMO CUTTERS WIRELINE.

11-22-2008 **Reported By** HOOLEY

DailyCosts: Drilling	$0	**Completion**	$7,286	**Daily Total**	$7,286
Cum Costs: Drilling	$680,405	**Completion**	$572,418	**Well Total**	$1,252,823

MD	8,720	**TVD**	8,720	**Progress**	0	**Days**	8	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 8664.0 **Perf :** 6423-8305 **PKR Depth :** 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description

06:00	16:00	10.0	SICP 0 PSIG. MIRU LEED SERVICE UNIT. ND FRAC TREE. NU BOPE. RIH W/BIT AND SUB TO CBP @ 6317'. PREP TO DRILL OUT PLUGS. SDFW.

11–25–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$27,008	**Daily Total**	$27,008
Cum Costs: Drilling	$680,405	**Completion**	$599,426	**Well Total**	$1,279,831

MD	8,720	**TVD**	8,720	**Progress**	0	**Days**	9	**MW**	0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423–8305 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
07:00	06:00	23.0	CLEANED OUT & DRILLED OUT PLUGS @ 6317', 6570', 6742', 6985', 7268', 7440', 7700' & 8015'. RIH. CLEANED OUT TO 8375'. LANDED TBG AT 6989' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU. FLOWED 16 HRS. 24/64" CHOKE. FTP 1200 PSIG. CP 1400 PSIG. 77 BFPH. RECOVERED 1227 BLW. 7060 BLWTR. TUBING DETAIL LENGTH PUMP OFF SUB 1.00' 1 JT 2–3/8 4.7# L–80 TBG 32.44' XN NIPPLE 1.30' 214 JTS 2–3/8 4.7# L–80 TBG 6937.37' N–80 NIPPLE & COUPLING 0.60' BELOW KB 16.00' LANDED @ 6988.71' KB

11–26–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$3,465	**Daily Total**	$3,465
Cum Costs: Drilling	$680,405	**Completion**	$602,891	**Well Total**	$1,283,296

MD	8,720	**TVD**	8,720	**Progress**	0	**Days**	10	**MW**	0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423–8305 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 22/64" CHOKE. FTP 1350 PSIG. CP 1400 PSIG. 66 BFPH. RECOVERED 1314 BLW. 5746 BLWTR.

11–27–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,865	**Daily Total**	$2,865
Cum Costs: Drilling	$680,405	**Completion**	$605,756	**Well Total**	$1,286,161

MD	8,720	**TVD**	8,720	**Progress**	0	**Days**	11	**MW**	0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423–8305 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 1300 PSIG. CP 1300 PSIG. 62 BFPH. RECOVERED 1298 BLW. 4448 BLWTR.

11–28–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,865	**Daily Total**	$2,865
Cum Costs: Drilling	$680,405	**Completion**	$608,621	**Well Total**	$1,289,026

MD 8,720 **TVD** 8,720 **Progress** 0 **Days** 12 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423-8305 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 1250 PSIG. CP 1600 PSIG.46 BFPH. RECOVERED 1093 BLW. 3355 BLWTR.

11-29-2008 **Reported By** BAUSCH

DailyCosts: Drilling $0 **Completion** $2,865 **Daily Total** $2,865

Cum Costs: Drilling $680,405 **Completion** $611,486 **Well Total** $1,291,891

MD 8,720 **TVD** 8,720 **Progress** 0 **Days** 13 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423-8305 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 1150 PSIG. CP 1850 PSIG. 45 BFPH. RECOVERED 1059 BLW. 2296 BLWTR.

11-30-2008 **Reported By** BAUSCH

DailyCosts: Drilling $0 **Completion** $2,865 **Daily Total** $2,865

Cum Costs: Drilling $680,405 **Completion** $614,351 **Well Total** $1,294,756

MD 8,720 **TVD** 8,720 **Progress** 0 **Days** 14 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423-8305 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 1100 PSIG. CP 1750 PSIG. 33 BFPH. RECOVERED 784 BLW. 1506 BLWTR.

12-01-2008 **Reported By** BAUSCH

DailyCosts: Drilling $0 **Completion** $2,865 **Daily Total** $2,865

Cum Costs: Drilling $680,405 **Completion** $617,216 **Well Total** $1,297,621

MD 8,720 **TVD** 8,720 **Progress** 0 **Days** 15 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423-8305 **PKR Depth :** 0.0

Activity at Report Time: WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 12 HRS. 24/64" CHOKE. FTP 1075 PSIG. CP 1700 PSIG. 23 BFPH. RECOVERED 276 BLW. 1230 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 11/30/08

12-02-2008 **Reported By** RITA THOMAS

DailyCosts: Drilling $0 **Completion** $157,939 **Daily Total** $157,939

Cum Costs: Drilling $680,405 **Completion** $775,155 **Well Total** $1,455,560

MD 8,720 **TVD** 8,720 **Progress** 0 **Days** 16 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423-8305 **PKR Depth :** 0.0

Activity at Report Time: FACILITY COST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FACILITY COST $157,939

12-09-2008 **Reported By** DUANE COOK

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$680,405	**Completion**	$775,155	**Well Total**	$1,455,560

MD	8,720	**TVD**	8,720	**Progress**	0	**Days**	17	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 8375.0 **Perf :** 6423-8305 **PKR Depth :** 0.0

Activity at Report Time: INITIAL PRODUCTION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	INITIAL PRODUCTION: TURNED TO GAS SALES. SITP 2525 & SICP 2700 PSIG. TURNED WELL TO QUESTAR SALES AT 10:30 AM, 12/08/08. FLOWING 1538 MCFD RATE ON 12/64" POS CK. STATIC 490. QGM METER #7971.

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU0344A

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. CHAPITA WELLS

2. Name of Operator EOG RESOURCES, INC. Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com

8. Lease Name and Well No. CHAPITA WELLS UNIT 1154-27

3. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202

3a. Phone No. (include area code) Ph: 303-824-5526

9. API Well No. 43-047-40042

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface NWSW 1781FSL 470FWL 40.00459 N Lat, 109.32080 W Lon

At top prod interval reported below NWSW 1781FSL 470FWL 40.00459 N Lat, 109.32080 W Lon

At total depth NWSW 1781FSL 470FWL 40.00459 N Lat, 109.32080 W Lon

10. Field and Pool, or Exploratory NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area Sec 27 T9S R23E Mer SLB

12. County or Parish UINTAH

13. State UT

14. Date Spudded 09/13/2008

15. Date T.D. Reached 11/01/2008

16. Date Completed ☐ D & A ☒ Ready to Prod. 12/08/2008

17. Elevations (DF, KB, RT, GL)* 5186 GL

18. Total Depth: MD 8720 TVD

19. Plug Back T.D.: MD 8375 TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) RST/CBL/CCL/VDL/GR, Temp.

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0	0	2277		1200		0	
7.875	4.500 N-80	11.6	0	8711		1755		200	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	6989							

25. Producing Intervals

26. Perforation Record 6423

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	6423	8305	8074 TO 8305		3	
B)			7738 TO 8001		3	
C)			7470 TO 7683		3	
D)			7304 TO 7423		3	

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
8074 TO 8305	56,237 GALS GELLED WATER & 172,600# 20/40 SAND
7738 TO 8001	28,879 GALS GELLED WATER & 74,900# 20/40 SAND
7470 TO 7683	53,961 GALS GELLED WATER & 180,600# 20/40 SAND
7304 TO 7423	46,644 GALS GELLED WATER & 154,000# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/08/2008	12/15/2008	24	→	42.0	699.0	184.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
12/64"	1600	2250.0	→	42	699	184		PGW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #66282 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED
JAN 20 2009
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
MESAVERDE	6423	8305		GREEN RIVER	1402
				BIRDS NEST	1578
				MAHOGANY	2091
				UTELAND BUTTE	4213
				WASATCH	4323
				CHAPITA WELLS	4875
				BUCK CANYON	5542
				PRICE RIVER	6393

32. Additional remarks (include plugging procedure):
Please see the attached page for additional information.

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #66282 Verified by the BLM Well Information System.
For EOG RESOURCES, INC., sent to the Vernal

Name *(please print)* MARY A. MAESTAS Title REGULATORY ASSISTANT

Signature (Electronic Submission) Date 01/14/2009

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

Chapita Wells Unit 1154-27 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

7045-7251	3/spf
6771-6970	3/spf
6599-6725	3/spf
6423-6551	3/spf

27. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.

7045-7251	58,540 GALS GELLED WATER & 206,300# 20/40 SAND
6771-6970	32,810 GALS GELLED WATER & 95,800# 20/40 SAND
6599-6725	30,515 GALS GELLED WATER & 86,400# 20/40 SAND
6423-6551	32,242 GALS GELLED WATER & 96,200# 20/40 SAND

Perforated the Lower Price River from 8074-75', 8085-86', 8098-99', 8115-16', 8126-27', 8137-38', 8146-47', 8171-72', 8197-98', 8204-05', 8257-58', 8277-78', 8299-8300', 8304-05' w/ 3 spf.

Perforated the Middle Price River from 7738-39', 7766-67', 7774-75', 7795-96', 7801-02', 7827-28', 7889-90', 7902-03', 7943-44', 7953-54', 7970-71', 8000-01' w/ 3 spf.

Perforated the Middle Price River from 7470-71', 7479-80', 7497-98', 7507-08', 7530-31', 7542-43', 7562-63', 7571-72', 7597-98', 7637-38', 7657-58', 7682-83' w/ 3 spf.

Perforated the Middle Price River from 7304-05', 7327-28', 7337-39', 7365-66', 7377-79', 7389-90', 7406-07', 7413-14', 7421-23' w/ 3 spf.

Perforated the Upper/Middle Price River from 7045-46', 7060-61', 7080-81', 7087-88', 7106-07', 7116-17', 7150-51', 7165-66', 7194-95', 7202-03', 7229-30', 7250-51' w/ 3 spf.

Perforated the Upper Price River from 6771-72', 6779-81', 6788-89', 6794-95', 6806-07', 6812-13', 6818-19', 6840-41', 6854-55', 6908-09', 6969-70' w/ 3 spf.

Perforated the Upper Price River from 6599-6600', 6605-06', 6613-14', 6649-50', 6654-55', 6679-81', 6686-87', 6711-13', 6719-20', 6724-25' w/ 3 spf.

Perforated the Upper Price River from 6423-24', 6427-28', 6442-43', 6459-60', 6497-98', 6508-09', 6513-14', 6522-23', 6537-38', 6543-45', 6550-51' w/ 3 spf.

32. FORMATION (LOG) MARKERS

Middle Price River	7194
Lower Price River	7975
Sego	8512

FORM 7

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: CWU 1154-27

API number: 4304740042

Well Location: QQ NWSW Section 27 Township 9S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078 Phone: (435) 781-9111

Drilling contractor: CRAIGS ROUSTABOUT SERVICE

Address: PO BOX 41

city JENSEN state UT zip 84035 Phone: (435) 781-1366

Water encountered (attach additional pages as needed):

DEPTH		VOLUME	QUALITY
FROM	TO	(FLOW RATE OR HEAD)	(FRESH OR SALTY)
900	910	NO FLOW	NOT KNOWN

Formation tops: (Top to Bottom)

1 _____ 2 _____ 3 _____

4 _____ 5 _____ 6 _____

7 _____ 8 _____ 9 _____

10 _____ 11 _____ 12 _____

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 1/14/2009

(5/2000)

API Well No: 43047400420000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: CWU 1154-27

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047400420000

3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000 N , Denver, CO, 80202 **PHONE NUMBER:** 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1781 FSL 0470 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 6/8/2009	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: Evaporation unit

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

As per verbal approval with Nate Packer, Vernal BLM, a small evaporation unit was placed in the reserve pit on the referenced location. The unit will be in place until the pit is fully evaporated. Upon completion of evaporation, the pit will be reclaimed.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
June 10, 2009

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mary Maestas	303 824-5526	Regulatory Assistant
SIGNATURE N/A		**DATE** 6/10/2009

RECEIVED June 10, 2009